THE TRAVANCORE PROVIDENT INSURANCE SOCIETIES REGULATION (AMENDMENT) BILL.

PRESIDENT: The next item in the Agenda is the introduction of the Travancore Provident Insurance Societies Regulation (Amendment) Bill.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): I beg to introduce the Travancore Provident Insurance Societies Regulation (Amendment) Bill.

Sir, my object in introducing this Amendment Bill is given in the Bill itself. Hence I shall state only a few words just for the purpose of further elucidation. At the time the Provident Insurance Regulation was passed by this House, this House had, in contemplation, the urgency of bringing into force a legislation in view of the abnormal and increasing number of societies. This House desired that a strong check must be put on the societies that were coming into existence and that an efficient system of supervision must be made. With that object in view, the learned Law Member drafted a Bill and presented it to the House.

Under the provisions of that Bill, societies had only to register themselves and be controlled by an officer called the Registrar of Provident Insurance Societies. The Select Committee introduced an additional clause to compel the registering Society to make a deposit of Rs. 5,000 at the time of registration and further annual deposits of 15 per cent of this annual income until it reached a maximum of Rs. 50,000. That was not a provision contained in the analagous legislation of British India. At that time such a provision was deemed necessary in the interest of the insuring public. After the Regulation came into force, we find that the provision requiring these Provident Societies to make the annual deposit of 15 per cent of their annual income renders the working of these institutions practically impossible. As I understand, the expense ratio of these Societies always works out to more than 35 per cent of their gross income. It is so found by the Registrars in charge of Provident Insurance Societies. It is so mentioned in many Insurance Journals. The Committee appointed in the United Kingdom for looking into the expense ratio of Provident Insurance Societies, report that the expense ratio of these institutions is always more than the expense ratio of the major Insurance Companies. Now under the rules of the Societies that have already been registered in the State, it is found that 66⅔ per cent of the total collections made by them has to be paid out to the policy-holders. The balance is only 33⅓. It is from this 33⅓ that 15 per cent under the Regulation has to be deposited with the Account Officer. It is found by practical experience that it is not possible to run these societies if such a percentage of deposit is demanded. It is not possible to meet the running expenses of the Insurance Societies with 18 per cent of their income. The inevitable result of this Bill will be the winding up of the Societies, as no one will be able or willing to meet the demand from his own pocket. Therefore Sir, by sheer impossibility brought about by this provision, the number of companies which was 400 and odd before the Regulation

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came into force has gone down to about ten. Now we have come to this small figure 10, I am afraid, even less. By the close of the first financial year, they also will find it impossible to continue the societies. The result is that the persons who have taken policies in these Societies will be put to very great loss. Experience therefore, tells us that this provision must be altered and I therefore request the House to consider the matter in a sympathetic way.

MR. A. THANU PILLAI (*Trivandrum-Rural*): In the case of these 10 companies since the passing of this Regulation, has the number of policy-holders increased or decreased?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): Decreased.

MR. A. THANU PILLAI (*Trivandrum-Rural*): Now under the rules of this Regulation, is there a provision that in any event the whole of the amount subscribed together with an additional amount may be returned to the policy-holder?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): There is such a provision, but such terms are to be fulfilled only if payment is made regularly for 10 or 12 years. If we will not allow the company to live for more than one year, how is it possible to earn the benefit of the provision? If default is made for any one instalment they forfeit the whole amount paid till then. If the Societies are asked to make the deposit from their own pockets or meet the expenses from their own pockets, they automatically cease to exist and all the policy-holders will have to be satisfied with whatever deposit there has been with the Account Officer at the time of registration.

It is only after a policy-holder has paid regularly and systematically for some years together that he will be entitled to a guaranteed payment of the amount subscribed and something more. No defaulting policy-holder will be entitled to any guaranteed payment. And, even in the case of the policy-holders who have been paying regularly and systematically, they can expect the guaranteed payment only after the policy matures.

MR. K. R. ELENKATH (*Kalkulam I*): May I ask whether the considerable diminution of these companies since the Regulation was passed is not beneficial to the people?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): It is purely a matter of opinion. Out of the 400 and odd companies, we now have, after the passing of the Regulation, only about 10 companies or even less. Certainly, it is to the benefit of the people that inefficient institutions have disappeared.

MR. S. CHATTANATHA KARAYALAR (*Shencotta*). In regard to the deposit of Rs. 50,000, is it not an option given to the companies when they are allowed to deposit the amount in instalments, to be accumulated, instead of in a lump?

MR. PUTTUHPALLI S. KRISHNA PILLAI (*Quilon II*): I shall read the provision in the Regulation.

"4. (1) Every Provident Insurance Society shall, if established before the commencement of this Regulation, within six months from

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[Puthupalli S. Krishna Pillai.]

such commencement, or before its registration, deposit and keep deposited with the Chief Account Officer for and on behalf of Our Government, the sum of five thousand rupees, and until the Society keeps deposited the sum of fifty thousand rupees, shall annually deposit and keep deposited a sum equal to fifteen per cent. of the gross income derived from its business as shown in the revenue account for the last financial year.

"Provided that a Society may, at any time, deposit the sum of fifty thousand rupees or make up its deposit to that value."

We are now attempting the smallest necessary amendment, the least possible change. The provision in the Regulation enjoins that 15 per cent. of the annual income shall be deposited with the Chief Account Officer till it accumulates to a sum of Rs. 50,000. The percentage to be deposited has been fixed at a minimum of 15 per cent. of the annual income.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Is it not open to these companies to deposit more than 15 per cent. so that they can reach the sum of Rs. 50,000 quicker and then cease the annual deposit?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): I too thought of such a contingency. It is not possible for small concerns. In Travancore, it may be possible to reduce the working expenses and to save more. That is why I suggested, although I find that these companies require above 33 or 35 per cent. of their annual income for their working expenses, that they should cut short their expenses and make a saving of not less than 5 per cent. for the annual deposit, thereby limiting their expenses to above 25 per cent. That is why I have provided in my Bill for a minium deposit of 5 per cent., instead of avoiding the deposit altogether.

MR. A. THANU PILLAI (*Trivandrum—Rural*): I am sorry, Sir, I do not find my way to support the introduction of this Bill. The only ground that Mr. Krishna Pillai has been able to place before us in support of this Bill is that these companies cannot work at all unless their annual deposit is brought down from the present minimum of 15 per cent. to 5 per cent. The House is not now in possession of sufficient data in regard to that matter; we have to accept Mr. Krishna Pillai's statement. But, as for that, it may be suggested that the Select Committee can gather statistics or evidence on the matter and fix the suitable percentage for annual deposit. I have got a much stronger objection.

In regard to the working of these companies, Sir, the main question is what percentage of the income should be deposited, so that the policy-holders may have a sufficient guarantee for the return at least of the money that they have actually paid, and not the question whether the few companies that are now working are able, with their present working expenses, to make the annual deposit of 15 per cent or not. I

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need not remind the members of this House that this provident insurance system is highly unsound, unscientific and unworkable. I would go to the length of maintaining that if any company is not able to deposit the minium of 15 per cent. of its annual income, it is better, in the interest of the public, that such company is wound up. The main question that I want the House to consider is what percentage is required in order that the policy-holders may have a reasonable guarantee of getting back at least the money that they have actually paid. I asked my friend Mr. Krishna Pillai whether, since the passing of the Regulation, the number of policies has increased or diminished; and he told me that the number was going down. What does that show? The system is vicious, unscientific, unworkable and objectionable. Our main look-out should be to see that at least the amount actually subscribed must be guaranteed to the policy-holders.

Further, as I have already said, without any data before us, how are we to accept the principle of the Bill and to allow it to go before a Select Committee? In the case of these Provident Insurance Companies, Sir, most of the policy-holders are not young people whom we could expect to go on subscribing for a number of years. Most of them are old, 60, 65, 70 or 75, always expecting death. I think that the reason for the number of policy-holders dwindling down, as stated by Mr. Krishna Pillai, is mainly the death of these old policy-holders. In most of these companies there is no age restriction whatsoever. The main difficulty is with regard to the younger policy-holders who go on contributing for years together. Where is the guarantee for them that they will get back at least the money that they have actually paid? Certainly, there must be ample security for that. The company must have sufficient funds to make the guaranteed payment.

In the circumstances, I find it very difficult, with the data now before me, to accept the principle of the Bill. I oppose it.

MR. T. K. VELU PILLAI (*Trivandrum-Urban*): Sir, I also oppose the introduction of this Bill. Mr. Krishna Pillai evidently wants to recognise the freedom of contract between the insurer and the insured. That is quite proper when it is not inconsistent with public interests. But experience leads us to a different conclusion so far as public interests in this matter are concerned.

We have been legislating, during the last few years, to remove the grievances of large classes of people even at the risk of sacrificing the interests of minorities. Take, for example, the Jenmi and Kudiyan Regulation. We made sacrifices here and there of the rights of the few Jenmies in order to safeguard the interests of the many Kudiyans. In this connection, the figure given by Mr. Krishna Pillai is very instructive. Out of the 400 odd Societies which were functioning before the present Regulation was passed, we now have only 10 Societies. That is a commentary which ought to make us wise.

Sir, these Provident Societies, most of them, are improvident Societies. In most cases, a few people, having nothing else to do under the

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[Mr. T. K. Velu Pillai.]

sun, organise themselves into a provident Society. The ten Societies referred to by Mr. Krishna Pillai may not be like those that I am now describing. I am speaking of the general class of these Provident Insurance Societies which collected money by giving all manner of fascinating hopes. And, in several cases, they hit upon an ingenious devise in distributing the money due to the policy-holders. (In Travancore, Sir, the people are sometimes very ingenious.) These Societies do not distribute money as is done in other civilised countries and in ordinary insurance companies. They do not pay off in a silent manner. Every time a payment is to be made a huge public meeting is organised under the presidency of some well-known person. Personally, Sir, I too have been invited on several occasions to preside over such meetings: but I have always refused; refused because I thought I should thereby be deceiving the world. In these days of democracy, Sir, advertisement is not difficult; and, as I said, every time money is due to a policy-holder, the Society, by tom-tom gathers a huge public meeting and makes much of it.

It was stated by Mr. Krishna Pillai, Sir, that the principle of these Societies is "collect and divide." I shall use the very same expression, Sir. Money is collected from a large number of people and divided among a few. Sir, it is a very unfortunate state of things. The Sunflake Company or the Himalyan Wisdom Company, some such name, I do not want to mention actual names, and therefore I am trying to coin names is sure to appeal to the people and to attract their attention. The name Sesquetanna attracted a large number of poets and other people. They proposed to go there merely because they were attracted by the name, and not because the place was healthy or wealthy or was an *eldorado*.

Sir, in this state there were companies growing and growing to the utter detriment of the economic condition of the country. I am glad to hear that the mover himself has admitted that most of them have ceased to function. But there are a few remaining. I accept the figure given by my friend. I am relying on the information just given by Mr. Krishna Pillai. There are ten companies out of 400. What actuarial science do these people know? Even in motor driving only a man who has got a license is allowed to drive. But people without any knowledge of banking or currency and people without any position in life are sometimes allowed to start these companies in Travancore, all because the Government in the plenitude of its noble-mindedness allowed these companies to be formed and recognised the freedom of contract. Now the meaning of the term 'freedom of contract' is very interesting. It is sometimes a contract between the strong and the weak. These people organise themselves and try various shifts, put their heads together and form a scheme; and the ignorant people flock to their companies and get into their meshes. The Travancore Government was never more wise in making laws than when they initiated the passing of the law which my friend now wants to

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amend. Now I would ask the House to consider what is the prospect of these companies getting on? There are Insurance Companies in various parts of the world. Insurance is not a local business. It is an international business. It is open to us to insure our lives in these companies as it is open to those people in those countries where they are incorporated. But when the Government allows anybody to carry on business they should see to it that only such men are allowed as are able to understand things, those on whom the public and the Government can rely upon. If they are going to change the existing rules the old evils will re-appear. The flood-gates will be reopened. I certainly appreciate the mover's desire to help this kind of insurance movement. But unfortunately in this country there have been so many mushrooms which pretend to be oak trees or I may say teak trees. Unfortunately that has been our experience. Therefore, taking into account the history of similar Societies and also considering the very ingenious attempts made by certain people to over each others and in consideration of the failures I am against the amendments of these rules. We are legislating for a general class. I am against the Provident Companies becoming useless and as mishevious as they were before the law was passed. If the money to be deposited is reduced these companies will fall to the same condition as they were in before.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): Sir, I rise to support the principle of the Amendment Bill. There is no quarrel between the mover of the Bill and the learned members who opposed it that those companies whose economic soundness has been questioned by competent authorities should be allowed to continue without any restriction. That is not the principle that is embodied in this Amendment Bill. The principle that there must be security has been accepted when we passed the former Bill. The only principle so far as I can understand, in this Bill at this stage, is that when we find that a few of the companies are making great efforts to work up and fulfil the contractual obligations entered into between the policy—holders and the company should we throttle and put an end to them or will we give them an opportunity to struggle on and fulfil their obligations? That is the only principle in this Amendment Bill. It is not for the *abolition* of the security amount. We want only to reduce the amount of the contribution towards security. Many members may not be satisfied with 5 per cent. That may be raised at the stage of the Select Committee. The only question that this House has to consider is whether it is right, without another word, without another thought, having allowed these companies to come up so far, to say that these companies shall not exist and do away with Insurance Companies altogether. Are we going to say that or are we going to consider whether we should give facilities for working at least some of them that have stood the test of time and survived.

One other point I wish the House to take into consideration is that in British India there does not seem to have a corresponding provision as we have in section 4 here. If we throttle these companies

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[Mr. K. Kunjukrishna Pillai.]

I do not think there will be any restriction of the companies beyond the borders of Travancore coming in and exploiting and, as some members said, plundering our people. So it is that I think there is something appreciable for consideration in the principle of the Bill. If it cannot be 5 per cent let it be 7 or 8 per cent. The only question is whether we can give at least some relief to these 10 companies that survive the onslaught of the present legislation and whether we can give them some more opportunity. Are we going to be so adament and inflexible as not to give them a chance? That is the only principle that has to be considered in this Bill. Taking things as they stand I may say that we are not going to be rid of these companies from British India. There is a lot of competition and exploitation from British India. So what you have to consider is whether we would be wise in giving these companies a chance. If the 5 per cent cannot be agreed upon, that may be fixed at 7½ per cent. The only principle is that there should be some leniency with regard to the contribution that has been fixed towards security. I do not think there is any quarrel between the mover and those who opposed the Bill as to the condemnation of the economic principles underlying collecting and dividing companies. With these words I support the principle of the Amend ment Bill.

MR. S. CHATTANATHA KARAYALAR (*Shencotta*): Sir, I oppose the principle of the Bill. The object of the existing Regulation was primarily to safeguard the interests of the insuring public. The one important provision which is designed to secure this object is the clause relating to deposit of security. Sir, the Select Committee which sat over the original Bill very carefully considered the amount of deposit and fixed this amount at Rs. 50,000, and the annual contribution at 15 per cent of the gross annual revenue. Mr. Krishna Pillai stated that the deposit of Rs. 50,000 should be made up by annual contribution of 15 percent of the annual revenue. It is only an option given to these companies to deposit this amount in instalments and not as Mr. Krishna Pillai pointed out that Rs. 50,000 should come out of the profits they make. They have primarily to deposit the entire amount as security for the moneys received from the policy-holders. So the primary object of the original Bill was to safeguard the interests of the policy-holders and not of the companies. As a matter of fact, a close study of the Regulation would show that the provisions are directed against the companies and not designed to encourage them. In British India also when a similar enactment was passed the policy of Government was to discourage the formation of such companies. These companies known ordinarily as free Insurance Companies have been condemned by eminent actuaries as unsound, unscientific and unworkable, based as they are on what is known as the dividing principle. The Select Committee which sat over the original Bill very carefully studied the various defects and the reports of eminent actuaries and accepting their views found it absolutely

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essential to incorporate the provision relating to the deposit. The significance of this provision in the Regulation is that the deposit required of these companies should be commensurate with the interests of the insuring public.

Sir, another point urged by the mover was that the expense ratio of these companies was very high-something like 34 per cent of the revenue and to enable these companies to meet the expenses they ought to be given facilities to deposit the amount at a smaller percentage. On the other hand, it is on the very ground that the expense ratio of these companies is very high that eminent actuaries condemn them and I too would condemn them. The high expense ratio of these Societies cannot be used as an argument to reduce the percentage of annual revenue required under the Regulation to be deposited. Another point which Mr. Krishna Pillai raised was that since the enactment of the existing Regulation several companies had gone out of existence and that only 10 companies have survived. If several companies have perished because of their inability to comply with the provision relating to deposit of security, they deserved to go out of existence. The interests of the policy-holders are paramount.

Sir, Mr. Kottur Kunjukrishna Pillai in supporting the Bill argued that since there is no provision for deposit of security in the corresponding British Indian enactment, British Indian Companies might exploit Travancore to the detriment of Travancore Companies. Sir, his apprehensions are absolutely groundless. There is a section in the existing Regulation which prohibits the operation of companies which are not registered under the Regulation and enacts that no Society which is not registered under the Regulation shall receive any premium in Travancore. This provision is a sufficient safeguard against the exploitation which Mr. Kunjukrishna Pillai apprehends.

Sir, the principle embodied in the Bill is not acceptable. The provisions in the Regulation have been passed after careful consideration by the Legislature and by a Select Committee appointed by the Legislature. No grounds have been made out to alter the existing provisions. I oppose the Amendment Bill moved by Mr. Krishna Pillai.

MR. P. CHIDAMBARAM PILLAI (*Commerce and Industry, South*): Sir, I beg to support the Bill. The most serious charge levelled against the principle of the Bill is that we are not taking to new ways of business and of commercial activities, of insurance schemes and so forth. After years of isolation in darkeness we have only recently begun to develop banking, insurance, and other allied things. After years of travail our banking has won a good reputation outside Travancore. Of course it is due to the activities of the Government also that a good many useless Insurance Companies have been weeded out of existance. What we are concerned with now is to see whether the existing companies should be developed or not.

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MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): May I know from the member whether many of the companies came to be weeded out because of the existence of the Regulation?

MR. P. CHIDAMBARAM PILLAI (*Commerce and Industry, South*): I think so. We have now reached the minimum of weeding out and we should not see that all the companies are not weeded out. My friend Mr, Krishna Pillai suggested that 390 out of the four hundred companies have ceased to exist and only about 10 companies are now working. Then it is in the interest of everybody in the State including the Government to see that these companies which are existing are encouraged. What my friend Mr. Krishna Pillai suggested is that the deposit amount is so great that it is not possible even for the existing companies to continue.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): If this amendment is passed, will the 400 companies come back to life?

MR. P. CHIDAMBARAM PILLAI (*Commerce and Industry, South*): But it will be much better to see that at least the ten companies existing do survive. Any way we have got to gain experience and, if no company is existing, how are we going to gain experience in that direction?

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Have we not had enough experience?

MR. P. CHIDAMBARAM PILLAI (*Commerce and Industry, South*): Some more experience will not be unwelcome,

MR. K. R. ELENKATH (*Kalkulam I*): May I know whether the Regulation as it is will stand in the way of all companies which have not deposited the minimum amount?

MR. P. CHIDAMBARAM PILLAI (*Commerce and Industry, South*): This is a new line of action alogether and, as pointed out by my Honourable friend, this is somewhat peculiar to Travancore just as in other directions, such as Banking for instance, we have been chalking out new lines and in insurance also it is a new line of activity and as matters stand there is the fear of weeding out the existing 10 companies.

MR. T. K. VELU PILLAI (*Trivandrum—Urban*): Is it not a legislative immorality to show favour to the 10 companies after the 390 companies have been weeded out on the application of the Regulation?

MR. P. CHIDAMBARAM PILLAI (*Commerce and Industry, South*): The other 390 companies did not survive the ordeal; these 10 companies have survived and they are standing and therefore we have to protect these companies.

The principle of the Bill is such that I would, as a Travancorean, because the country is dificient in those activities, support it. In all such activities we are lagging behind as Mr. Kunjukrishna Pillai pointed out and the others from outside are teaching us. Then why not we ourselves try? Why not we gain some experience even if a little harm occurs, Therefore I support the Bill.

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MR. PACODE A. NARAYANA PILLAI (*Vilavankod*) : I am sorry, Sir, to oppose the principle underlying this Bill. Sir, students of English History might have heard about the South Sea Bubble. A few years ago in Travancore when the economic depression was at its beginning stage, that is in or about the year 1105, a new speculative business was brought in throughout the length and breadth of our country and one fine morning we found almost all the villages in Travancore having their own Provident Insurance Societies. There was absolutely no restriction in the formation and working of these companies. They were all fradulent concerns. As the Honourable member for Trivandrum taluk pointed out, the gentlemen who were in charge of these concerns had no scientific training, no actuarial experience; they were not trained Accountants ; in fact the only experience or cleverness they had was in relieving the poor gullible members of the public of a few spare coins they had. That was the only qualification of many of the persons who started those concerns.

MR. A. THANU PILLAI (*Trivandrum—Rural*) : I said none of those facts.

MR. T. K. VELU PILLAI (*Trivandrum—Urban*) : He is only doing it a little better.

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*) : I referred to the Honourable member of the city of Trivandrum and not of the taluk.

Well, Sir, another Honourable member said that this is a new feature so far as Travancore is concerned. That is not correct, Sir. A similar petilence happened in Gujarat and as in Travancore there also it was found to be a public danger.

We all know, Sir, that the Indian National Congress, realising the danger that the public of Gujarat were subjected to on account of the formation of such Provident Insurance Societies which were working on the same deviding plan as it were, appointed a Committee to go into the whole question and submit a report. Eminent men who had experience in Accountancy, in Banking, and cognate subjects went into the whole question, collected evidence and submitted a report according to which it was found that the principle underlying these Societies was entirely unsound. They were not formed nor were they working on sound business principles. So, in one or two years, all those Societies came to naught and the poor people lost all the money they had subscribed with a view to get a big fortune. That was what happened in Gujarat. Similarly in Travancore in the years 1105 and 1107 a number of Societies was formed and the Government realising the danger the public were subjected to, framed a law and that is this Provident Insurance Societies Regulation.

Well, Sir, the object of the Government in passing this law was to place some restriction upon the unlimited freedom in the formation of companies and in the working of companies. One safeguard was the provision to deposit security under section 47 of the Regulation. That is, the companies that were formed before the passing of the Regulation as well as the companies that would be formed after the

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passing of the Regulation were required to make certain deposit out of their gross income with the Government so that there may be guarantee as to their safe working and thereby the interest of the public could also be safeguarded. It was with that object that the provision was made and from the arguments advanced by the Honourable member who has introduced the Bill as well as from the arguments of the other gentlemen who were supporting the Bill, I am not in a position to find that these circumstances have now changed so that we should take away the restrictions or lessen the rigours placed by the Regulation on such Societies. Even now I know that many people lost their few spare coins that they had in these days of economic depression. Of course, the people who subscribed had no record what soever, they were not furnished with any record and whatever money they paid they lost.

MR. T. K. VELU PILLAI (*Trivandrum—Urban*): Were not the spare coins contributed at considerable sacrifice?

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*): Certainly, Sir, at considerable sacrifice. It was those precious coins that were paid to those companies and the few interested gentlemen who were the promoters of those concerns divided the spoils amongst themselves. Well, Sir, the whole thing is a spoil system.

MR. P. CHIDAMBARAM PILLAI (*Commerce and Industry, South*): Can the member substantiate his statement?

MR. PACODE A. NARAYANA PILLAI (*Vilavaukod*); I am myself a sufferer, Sir (*Laughter*) I lost, I did not get anything in return to what I paid.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Did the member subscribe to any of the surviving companies or to any of the companies that have died out?

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*): Many persons subscribed to these concerns and they themselves did not survive.

MR. A. THANU PILLAI (*Trivandrum—Rural*): May I know in that case, which life was insured? Is it his own or the life of somebody else (*Laughter*)?

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*): I do not think I should answer that question.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Were not the lives of old and decrepit persons insured in these companies?

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*): The insured were old and decrepit persons with one foot in the grave. There was no medical inspection, no guarantee whatsoever for the safe investment of the companies moneys. There was no safety and that is why the Government came forward to safeguard the interests of the general public and they have passed the Regulation. Now my friend wants to take away that safeguard. Well, Sir, in the interests of the public of

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Travancore I would earnestly urge on the attention of the House to see that the safeguards which the Government have provided under the existing Regulation must be there and no such concession should be given to the small number of 10 companies which the member says are now working. So, Sir, I oppose the principle.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : With the safeguards as provided in the present Regulation, is it possible for any company to run, according to the members opinion?

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*) : All sound companies with the safeguards similar to the one we have put in the Regulation must run. Sir, the 10 companies, even according to the Honourable member who introduced the Bill, are actually working. So, where is the necessity for taking away the provisions?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*) : Does the member know whether any one of the companies has made 50 per cent. of the deposit required?

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*) : I took it that since the Honourable member said that they were working, they had made the deposit. If they have not deposited they will have to share the same fate as the 390 companies.

MR. T. K. VELU PILLAI (*Trivandrum-Urban*) : The word "smaller" is used by the member, does he mean the amount of deposit?

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*) : I mean the amount, Sir.

The House adjourned for lunch at 1 P. M. and met again at 2 P. M. with the Deputy President in the Chair.

MR. V. RAMAKRISHNA PANICKAR (*Kartikapalli II*) : I support the principle underlying the Bill. The object of the Bill is not to do away with the substance contained in section 4 of the Regulation. It is simply to afford facility to the major portion of the companies to be run on proper lines. It was suggested that the object of the Regulation was to extirpate all the companies. I do not think that is the object with which the authors of the Regulation have framed it. If it has been so, an amendment to the Penal Code would have been quite sufficient to the effect that such companies are unlawful and that if anybody starts such companies he will be punished with fine or imprisonment. If such an amendment was proposed and accepted the present Amendment Bill will be quite out of place. Now, as it stands the Regulation is quite unworkable. There is no need to keep in the Statute Book a Regulation which is not workable.

It has been suggested that the companies were started by the share-holders to do public service—

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*) : Is there a keen demand for the people to join these Provident Insurance Societies at present?

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MR. V. RAMAKRISHNA PANICKAR (*Kartikapalli II*): From the little experience I have, the demand has not subsided.

If matters continue like this, the companies that are in existence will come to a fatal end.

The consequence will be that not only the share-holders will suffer but the policy-holders also suffer much. There are something like 10 surviving companies and there may be at least 20,000 policy-holders. These policy-holders are quite likely to lose what they have subscribed. So, in my humble opinion, the amendment that is proposed has to be admitted and referred to a Select Committee.

MR. K. R. ELENKATH (*Kalkulam I*): Is the suggestion of the member intended to rescue those who are surviving?

MR. V. RAMAKRISHNA PANICKAR (*Kartikapalli II*): Yes.

MR. N. ABDUR RAHIMAN SAHIB (*Nominated*): I am sorry I too have to oppose the amendment before the House. Any legislative measure passed by this House, should be with a view to do good to the public at large. Of late, Insurance Societies have come into existence like mushrooms, so much so, that it is a matter of daily occurrence and we were able to notice very many companies with treamendous titles and consipicuous boards throughout the State. The result was that Government was compelled to interfere and thus the present Regulation came to be passed. In this Regulation adequate provision is made for safe-guarding the proper working of these Societies. I do not see any reason why the Legislature should now frame necessary laws for protecting 10 companies mentioned in the amending Bill. It has been pointed out by various members that it has been a veritable nuisance *viz.*, the institution of such bubble Insurance Companies. For the proper working of Societies, certain rules and regulations were provided by the existing Regulation and only if those conditions are satisfied, the Societies will work properly. As such provisions are already provided for in the present Regulation, there is no necessity for an amendment to that Regulation. If the majority of the Societies have been weeded out of existence, it must be because they were not pursuing the objects with which they were started and they were not working on proper and efficient lines. Simply because those Socities disappeared, it does not mean that the remaining Societies must be helped by such a Legislative measure. It should be the last object of any legislature to countenance such unwholesome institutions, which are calculated, I must say, to deceive and defraud the public. With these few words, I oppose the amendment.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha I*): I am also sorry that I have to oppose the principle of the Bill. We have got at present a certain Regulation and it is now sought to amend that Regulation. Some good cause must be shown before it is amended. Cause, no doubt has been attempted to be shown by the mover as well as by some of the speakers, and these causes are three, so far as I have been able to make out.

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In the first plce, it is said that the number of Societies affected by the existing Regulation have gone down considerably to such an extent as to necessitate legislative interference to revive them. Secondly, there is the possibility of competition from outside if we keep to the lines of the Regulation now in existence. Thirdly, this Regulation is prohibitive of enterprice generally and as such should be got rid of. These are the main grounds that were advanced in support of the measure. Had the grounds been valid there might have been something to be said in favour of the necessity of the amendment. I fear they are not valid. It is admitted by all speakers, except Mr. Chidambaram Pillai, that sufficient security is needed to secure the money paid by policy-holders. Now,in a public enterprise like the one in question, where the public are invited to contribute money, it is quite necessary and essential that Government should look to the safety of the persons who hold the policy in it. That principle has been recognised by the Legislature in Travancore under various Regulations. I may cite for example the Chitties Regulation before the enactment of which, the foreman used to conduct chitties, purely as a matter of contract between party and party. But the Legislature had to step in and to make it obligatory on foremen that they should furnish security to the extent of their liability before they were allowed to conduct the chitties. Lotteries have been prohibited by Government, on the apprehension that the public might suffer under such schemes. In other directions also securities have been demanded where public interests are at stake. So, very rightly it has been conceded by those interested in the present measure that security must be provided. Well, what ought to be the extent of security is the next question. It has not been made out that the extent of security now demanded by the present Regulation is exhorbitant. Before a case is made out, the Bill should not go to the Select Committee. The Select Committee should not be asked to embark on an investigation with a view whether a basis may be found for a Bill. All that is said is that in view of the extent of the security now demanded it is difficult for the companies to function. That is not the criterion at all. The issue arises between two demands, the interests of the companies on the one hand and the interests of the public on the other. The extent of the security cannot be taken to be over-much, simply because the companies consider the Regulation to be irksome. In the interests of the public it may be quite wholesome. That is the point. Therefore the fact that some of the companies find it difficult to carry on their work is not an argument in itself to overlook the necessity of securities and the extent of securities that may be demanded.

As for the likelihood of foreign competition leading to the escape of money from Travancore to outside, before that argument can succeed it should be pressed that legislation in Travancore must be brought into line with legislation elsewhere. It is said there is nothing parallel to our provisions in regard to securities in the British Indian enactment. Therefore to withstand competition from British India

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[Mr. P. K. Narayana Pillai.]

what we have to do is to do away with security in its entirety. Otherwise, security, no matter how slight, demanded here would afford scope for a foreigner to compete with us. Mr. Karayalar pointed out the impossibility of competition in this respect. But I add that if security is not provided for there, unless security is absolutely removed here also there will be scope for competition from outside. But that is not what is demanded now. Security is insisted on. Only its extent comes into question. Fear of foreign speculation does not therefore appear to be a valid argument.

The third ground is the question of enterprise. Of course, this sort of flotation of companies is one form of monetary enterprise. In such enterprises the safety of the public is absolutely necessary. We have heard a good deal about enterprising adventurers in western countries, such as Stavisky, Bottomely and others. Probably in our country we have not got people of such conspicuous ability; yet there exist their types on a diminutive scale. A combination of such people may be able to work wonders, but the public should not be exposed to their subtle snares. Then there is the argument advanced by Mr. Ramakrishna Panickar that there are some people who have taken policies in such companies and in order to enable those few to get back what they have bargained for, easy terms should be allowed to continue.

What we are asked to do is to keep open the doors for some people to walk out. Unfortunately, it is forgotten that others would walk in, in the meanwhile. If we are going to remove the safeguard for the sake of the persons already within the net, others would get in, and the safeguards would ever remain suspended. That too is not therefore an argument. On these grounds, I am sorry to say that the principle does not appeal to me and I find no valid reason made out why the Regulation as it exists should be amended at all.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Sir, I must admit that I am in agreement with much of what the Honourable members said in opposition to the Bill. Still, my view is that the matter may be allowed to be examined by a Committee. It was stated by Mr. Krishna Pillai, the Honourable mover, that this provision for security was in the Bill as introduced in the former Legislative Council. That is not correct. Not that I am not taking any responsibility for the existence of this provision in the Regulation as passed, but the fact is that this provision was not in the Bill as introduced. After introduction of this, the Bill was referred to a Select Committee which contained many eminent members, amongst whom Mr. Krishna Pillai also was one. Amongst them was also a very keen and careful business man, Mr. Karunakaran, and also certain members of this chamber, like Mr. Damodaran Asan. The Committee was presided over by Mr. Venkitarama Aiyar who had quite a long experience with the Joint Stock Companies in Travancore. They examined the

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question very carefully and considered the report of the Vigilance Committee appointed by the Indian National Congress, and they came to the conclusion that a provision like this was absolutely necessary. From that report I shall read a few lines from paragraph 20 of it.".

> "There has been a considerable rush in the incorporation of companies proposing to do insurance work during the last two years. Before the beginning of 1107 there were only 13 companies of this type, while the number registered during 1107 (247) has gone up to 468 on 25 3-1108. Except a few of these, all have been of the dividing type. Insitutions working on this basis have been of the dividing type. Institutions working on this basis have been condemned by experts as unscientific, unsound and unworkable. Though all the actuaries in Britith India are agreed in this view regarding such schemes, Mr. Marathey of Poona, has made certain constructive suggestions as to how the working of such societies could be improved, himself feeling diffident about the beneficial results of such working, but suggesting innovations with a view to save the several thousands of poor people who had joined such societies. In view of the large mass of the public involved in the schemes already started here, we have adopted some of his suggestions, and provided for safeguards which are in our opinion, necessary to ensure a satisfactory working of the societies working on this line. A copy (Appendix B) of the Report of the Provident Society Vigilance Committee appointed in Bombay for enquiring into the working of societies of this type there, and extracts (Appendix C) from the letters written on the subject of Messrs. H. L. Humphrey and G. S. Marathey, M. A., A. I. A., published in some of the leading Insurance Journals in British India as well as the remarks (Appendix D) by the Actuary to the Government of India in the Indian Insurance Year Book of 1931, are appended hereto."

So, these points were carefully considered by the Committee, and they insisted, in the interests of the general public of Travancore, that this provision should be incorporated in the Bill. Naturally, the Government accepted the position and the Bill was passed into Law, with this provision in it. It was passed but 2 years ago, namely in 1108. Such was the setting in which the Regulation came in to existence. I must say that I feel great diffidence in accepting any change in this provision within so short a period as two years. This morning I was quite confident that the Bill may very well be examined by a Select Committee. But, after hearing the weighty opinions from the opposition, I feel tottering. That it may be advisable to have the Bill very carefully examined by a Select Committee is still my opinion. And the Committee should be given full powers to do whatever may be necessary with the Bill. I may mention one particular reason for this. Immediately after the Regulation was passed, certain complaints were heard saying that this provision, as it stands, will make the working of Societies totally impossible. Government made enquiries, and although the enquiry is not complete or quite satisfactory Government came to the conclusion that it will be advisable to have it re-examined. I am not prepared to say more about it at present. But I can say this: If the House is inclined to allow it to be examined by a Committee with full power to deal with the Bill in any manner they please, Government will not be against it. I would also suggest that those members of the former Select Committee who are also members of this House.....

DEPUTY PRESIDENT: That only arises later on.

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MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Yes.

DEPUTY PRESIDENT : The object of the Bill seems to be rather to limit it only with regard to one provision. I am sure the Law Member would tell the House if he has any particulr reason to refer the Bill as a whole to the Select Committee.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Although there is only one provision in question, it must be open to the Select Committee to examine it very carefully and recommend to the House even drastic changes.

MR PACODE A. NARAYANA PILLAI (*Vilavankod*) : May I know from the member whether the Government is favourable to the principle underlying this Bill?

DEPUTY PRESIDENT : That question cannot be asked. The Law member has explained the position of the Government and said that the Government have no opposition. That is all. Mr. Parameswaran Pillai did not say that the Government is for or against the principle. To put that question means that it will create a difficulty when Government has once expressed its intention.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*) : May I know from the member whether the Government intends to remain neutral?

DEPUTY PRESIDENT : Words already expressed speak for themselves.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*) : Sir, from the debate on this Bill it is very clear that these Provident Insurance Societies which came into existence in Travancore under very unfavourable circumstances still continue to remain under the same circumstances and no change whatsoever has been brought about in the attitude of the public towards it. At the time when these companies came into existence in Travancore there was no legislative enactment to check or control them. That naturally gave the organisers of these companies unlimited choice to speculate upon what may be called *chance*. From the very scope of the principle upon which these companies came into existence elsewhere in the actual working of these companies they drifted into very undesirable channels. Sir, even to day in England Provident Insurance Societies which came into extistence in 1774 are working profitably and for the benefit of the public. They were started in England for the purpose of providing for the improvident, for the poor and the disabled and therefore, it is known there by the name of friendly societies.

MR K. KUNJUKRISHNA PILLAI (*Quilon I*) : May I know whether those Societies under-take any other form of insurance work?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*) : Those Societies are not working on the principles of regular major Insurance Companies. Here the principle is to collect money and then to divide At the end of every year it will be found that every Society keeps a clean slate. So, some of the companies were known as slate companies. These companies were also formed under the auspices of Trade Unions for

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the purpose of helping improvident workmen and artisans in their emergent needs. In short, these companies are not intended for the rich. It was meant for the poor. The poor are thus compelled to put by something which would stand them in good stead in times of stress. It was thus, Sir, that these companies were started as early as 1774. Several such institutions which were started in that year and in subsequent years are working satisfactorily in England. It was long after that these present Provident Insurance Companies modeled on the friendly societies of England slowly came into existence in India., and till 1912 there was no statutory enactment to control and check their activities. Before the passing of the Provident Insurance Societies Act of 1912, the conditions prevailing in British India were some-what similar to those prevailing in this country till 1108. The scandals relating to the working of these Societies were so great and true that the Legislature found it necessary to intervene in the best interest of the public. An institution designed for the benefit of the poor, had become a den of gamblers who gambled on the lives of the poor and the aged. To check the growth of such institutions the Select Committee introduced a clause compelling these Societies to make the deposit before they were registered under the Regulation. But this provision does not find a place in the British Indian Act. Here our Legislature came forward and said "We will frame the law in such a manner that we shall have full control over these institutions in order that more responsible and more respected persons would be in the field to carry on the activities of such companies". It was with that object that this provision was passed. The Select Committee had before them the Bill relating to the major insurance scheme. There was in it the provision for compelling such companies to deposit a certain amount with the Government. And it was thought by the Committee then that this may be done in the case of Provident Insurance Societies in order to prevent the mushroom companies coming into existence all on a sudden. The small deposit of Rs. 5,000 was insisted upon. This had its desired effect, for more than 350 companies immediately disappeared from the scene. They were companies which could not command a cash credit of Rs. 5.000.

The next question considered by the Committee was whether this deposit should be increased, whether it should be satisfied with this Rs. 5, 000 or whether by any means it should be enhanced. In order that the authorities may be satisfied of the proper working condition of these Societies, it was thought advisable that they may be called upon to contribute a small portion of the savings in their hands. That was all that was agreed to.

And then, Sir, came the question as to what percentage of the earning may be ordered to be deposited. The members of the committee were unable to form a definite opinion' because no statistics were available, and no facts and figures were placed before the Committee to ascertain the exact ratio or proportion of the income which should be compelled to be deposited. The members of the committee agreed

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[Mr. Puthupalli S. Krishna Pillai.]

that there was a 33 1/3 per cent. yet in their hands and the Committee thought that there would be absolutely no harm in asking the companies to deposit a 15 per cent. out of that The members of the committee thought that the balance 18 per cent would be sufficient to meet the running expenses. This was but a guess and it is submitted that like all guesses it has turned out to be inaccurate.

DEPUTY PRESIDENT: Are you aware of the result of the enforcement of such a law in British India, as to how many companies ceased to function?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): In spite of the Act of 1912 relating to Provident Insurance Societies, a large number of companies were working.

And at the time our Travancore concerns came into existence, there were a large number of British Indian companies carrying on regular business in Travancore. With the introduction of the Insurance Regulation the foreign enterprises in this country disappeared altogether and it is unlikely they could compete with the Travancore companies. Those who take up policies in the Travancore concerns, can take steps for the purpose of realising their amounts more easily than they would be able to do in the case of British Indian concerns.

DEPUTY PRESIDENT: In British India itself?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): There, Sir, many companies disappeared in 1912. The absence of any provision for making an initial deposit still renders it possible for any company to work in British India. All that is wanted there is to get the company registered in accordance with the rules. It is not obligatory upon those companies to make initial deposits or make further deposits and therefore the number of companies in British India is much larger than that in Travancore.

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*): May I know from the member the principle of the Provident Insurance Societies now working in British India?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): I am not aware Therefore, Sir, when the Bill was passed, the members of the committee thought that they were providing for an additional safety, over and above the very elaborate condition contained in the British Indian enactment when they introduced the provision relating to the deposit. One thing also has to be observed, that is of recognising Provident Insurance work in this country. The preamble shows that the Regulation applies only to concerns which guarantee payment of Rs. 500 and below. That provision will show that it is intended for the poor, that it is intended for the benefit of the poor. Therefore the principle of the Bill was accepted and even today it is accepted. Accepting the principle of the Bill, the question is how we shall be able to get the principle worked out. I submitted at the outset that if the percentage of the deposit fixed in the Regulation is to be continued, it leads to this result that, either they have to make the deposits from their own pocket,

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as was suggested by my Honourable friends Mr. Karayalar or to wind up the business. Now the person, Sir, who has undertaken this sort of insurance work, *i.e.*, the work of providing for the poor should not be expected to find Rs. 5, 000 from his own pocket to start the business and then to contribute Rs. 45, 000, also from his own pocket, for no money belonging to the policy-holders will be left in their hands. In the case of the major insurance scheme, it is different. It is conceded, Sir, that the profit that is derivable from transactions like this are very much limited compared to the profits derived from other insurance transactions. In the case of a chitty scheme the foreman derives a much larger profit. Sir, if we are to accept the principle of the Bill that Provident Insurance work should be carried on in Travancore by Travancoreans it should afford them facilities. It cannot be done by retaining in the statute, this provision which will practically annihilate the principle which is recognised as necessary. As I submitted it may not be possible, I might even say it is impossible, for any one of these concerns to deposit a 15 per cent. from its own pocket. It is equally certain that they cannot deposit it from its earnings. If, from the profit, this amount is ordered to be deposited, I can say that there is absolutely nothing wrong; but from the statistics available it can be seen that this 33 1/3 per cent. is not their profit, but is an amount which is not sufficient to meet the working expensess I find from the report published in British India and elsewhere that the working expenses of these concerns are larger than the working expenses of major Insurance Companies. These facts could have been ascertained only by actual working experience. And by one year's experience, it has been found that it would be impossible to make these annual deposits out of the annual collections because practically at the end of the year the whole 33 1/3 per cent would be spent out for necessary purposes.

MR. PACODE A. NARAYANA PILLAI (*Vilavankod*): It it not the tendency of civilised countries to bring down the expenses ratio still further?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): Yes; that is the tendency and I submit that the tendency in Travancore is also like that. But when are you going to allow a person to cultivate that tendency? Without an opportunity given how can you cultivate that tendency?

DEPUTY PRESIDENT: Is that tendency to be cultivated?

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): Yes, when they get an opportunity. Without giving an opportunity, Sir, how are you going to cultivate that tendency or habit? That is what I advocate for, rather than kill them altogether; rather than wipe them out of existence, give them an opportunity to thrive. It is as much necessary for the people as it is necessary for the company.

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[Puthupalli S. Krishna Pillai.]

Sir, I therefore submit that it is a matter which deserves the attention of the members of this House and a matter which requires investigation. If the members of the House are not satisfied, then, it would be time for them, Sir, to reject the Bill. But, I submit that ought to be done only after making an investigation into the matter. We have got the Registrar of Provident Insurance Societies who is in possession of all the registers and the accounts of the companies now in existence. They might call for those records and scrutinise them and find out whether this amendment is necessary.

I am quite sure that if they get an opportunity of enquiring into the matter they will surely be convinced. Sir, is it not improper, is it not unjust that we reject the Bill without taking an opportunity to think over the matter and consider it? So I request, Sir, that the Bill may be referred to a Select Committee.

DEPUTY PRESIDENT: The question is that the principle of the Bill be affirmed.

The motion was put to the vote of the House and carried.

MR KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I demand a poll.

A poll was taken and the House divided as follows:

AYES—33.

1 Mr. A. S. Damodaran Asan	19 Mr. R. Nilakanta Pillai
2 ,, Antony George	20 ,, Edavanatt S. Padmanabha Menon
3 ,, James Simpson	21 ,, Kainikkara M. Padmanabha Pillai
4 ,, M. Mahomed Haneef	22 ,, N. K. Padmanabha Pillai
5 ,, N. John Joseph	23 ,, Changanachery K. Parameswaran Pillai
6 ,, K. C. Karunakaran	24 ,, Kayalam Paramesvaran Pillai
7 ,, K. M. Krishnan	25 ,, V. Ramakrishna Panickar
8 ,, K. P. Krishna Menon	26 ,, R. Raman Pillai
9 ,, Pottayil S. Krishna Panickar	27 Rao Bahadur N. Ramanuja Aiyangar
10 ,, Puthupalli S. Krishna Pillai	28 Mr. K. Sankaran
11 ,, T. Krishna Pillai	29 ,, R. M. Statham
12 Rao Sahib Dr. N Kunjan Pillai	30 ,, T. C. Thommen
13 Mr. K. Kunjukrishna Pillai	31 ,, G. B. E. Truscott
14 ,, C. V. Kunjuraman	32 ,, V. K. Velappan Nair
15 ,, K. M. Kuriakose	33 ,, T. P. Velayudhan Pillai
16 ,, C. O. Madhavan	
17 ,, M. N. Nair	
18 ,, Srimati T. Narayani Amma	

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NOES—28.

1	Mr. N. Abdur Rahiman Sahib	15	Mr. M. K. Madhavan Pillai
2	,, K. C. Abraham	16	,, K. Mahomed
3	,, T. K. Alexander	17	,, P. C. Narayanan Bhattatiripad
4	,, V. T. Chacko	18	,, K. A. Narayana Pillai
5	,, S. Chattanatha Karayalar	19	,, Pacode A. Narayana Pillai
6	,, A. Easwara Pillai (*Kalkulam II*)	20	,, P. K. Narayana Pillai
7	,, A. Easwara Pillai (*Kottarakara*)	21	,, G. Nilakantan
8	,, K. R. Elenkath	22	,, S. Nilakanta Pillai
9	,, M. K. Janardana Kamath	23	,, K. Padmanabhan
10	,, T. S. Jayantan Nambootiri	24	Rao Sahib S. Parameswara Aiyar
11	,, T. C. Joseph	25	Mr. R. Sambasiva Aiyar
12	,, N. K. Krishna Pillai	26	,, M. Sivatanu Pillai
13	,, E. K. Kunjuraman	27	,, A. Thanu Pillai
14	,, K. Mathavan	28	,, N. E. Varughese

NEUTRALS—5.

1	Mr. John Whitely Tolson	3	Mr. S. J. Nair
2	Miss Hepzibath Gnanasikamony	4	,, J. M. Joseph
		5	,, P. K. Thomas

The principle of the Bill was accepted by the House.

The Secretary then read the title of the Bill.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*) : I beg to move that the Bill may be referred to a Select Committee consisting of the following members :—

Mr. T. K. Velu Pillai
,, Kayalam Parameswaran Pillai
,, R. Nilakanta Pillai.
,, A. S. Damodaran Asan.
,, K. C. Karunakaran.
,, Easwara Piliai (Kottarakara).
,, P. K. Narayana Pillai.
,, Ramakrishna Panickar.
,, A. Thanu Pillai.
,, Antony George.
,, S. Chattanatha Karayalar.
,, Puthupalli S. Krishna Pillai

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*) : I second it.

The motion was carried.

DEPUTY PRESIDENT : The Committee will report within four months.

THE VAKILS REGULATION (AMENDMENT) BILL.

MR. S. J. NAIR (*Nedumangad*) : I beg to introduce the Vakil's Regulation (Amendment) Bill.

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